

**CRAIG COMMUNITY ASSOCIATION****P.O. Box 828****Craig, Alaska 99921****Phone: 907-826-3996**

December 14, 2005

Mr. Andy Hughes
Alaska DOT/PF
6860 Glacier Hwy
Juneau, AK 99801

Dear Andy:

The City of Craig and the Craig Community Association have reviewed the draft 2006-2008 STIP, and together we offer the following comments.

Obviously we are very unhappy with the proposal to delay indefinitely State funding for the Port St. Nicholas Road project and to substitute the \$3 million earmark for funds the state committed to the project in the FY 2005 State budget. Neither decision moves us closer to the completion of the project, nor do the decisions encourage communities to work within the STIP process toward the completion of important surface transportation priorities.

Proposal to Delay Funds

DOT/PF is already well aware of the city's and tribe's efforts over the past decade to bring this project to completion. With the project now ready to begin final design, and with the securing of BIA funding, the project will go to bid in 2006. It is imperative that DOT/PF plan to provide the \$3 million authorized in the current year State capital budget to the project in STIP year 2006. The STIP proposal to delay State funding to some indefinite future date is completely contrary to the funding provided in the current State capital budget, contrary to the current published STIP, contrary to the December 2004 Governor's Community Transportation Initiative, and contrary to its actions in working toward an MOA for the project with the City of Craig and BIA. It is inexplicable to us that DOT/PF would suddenly withdraw its support for the project.

We understand that at the time of the publication of the draft STIP the high cost, hard earmark transportation projects in the Federal highway bill has led DOT/PF to review how it plans for the spending of transportation dollars. Now that at least two of those earmarks have been removed from the funding the state will receive it is our belief that DOT/PF can restore its support for the St. Nicholas Road to where it is in the current STIP.

Project Earmark


In working together and with Congressman Don Young's office we were able to secure additional funding for the Port St. Nicholas Road project through the federal highway bill that

became law this year. That funding came from our efforts to ensure that both the BIA and the high priority earmark shares, when combined with State-budgeted dollars, were sufficient to meet the cost of the project. We made this effort after the FY 2006 State capital budget was published and included a \$3 million appropriation for this project. DOT/PF staff is aware that the current construction cost estimate for the project is well in excess of the \$6 million cost estimate made in 1995. Our intention in securing federal funding is that it would be added to the \$3 million in State funds identified in the FY 2006 capital budget.

However the 2006-2008 draft STIP DOT/PF intends to replace the funds approved as part of the State's capital budget with the high priority earmark from the highway bill. As you must know this action has the effect of under-funding the project by as much as fifty percent. As noted above, our efforts to secure funding are motivated solely by the estimated cost of the project, based on the independent cost estimate developed by RP Kinney & Associates. DOT/PF's decision to substitute the high priority earmark for the funding identified in the State capital budget does nothing to ensure that the project is completed as we had always intended, by improving the road drainage and alignment, and then paving the road surface. Our efforts to secure additional funding were made to achieve this goal. We ask the DOT/PF to work with us to do the same, and restore the \$3 million budgeted in the current STIP and State capital budget.

Given the long project history here and DOT/PF's longstanding participation in it, we ask that you contact us in response to these comments so that we can work out an agreement that fully funds this project.

Sincerely,


Mayor Dennis Watson
City of Craig
A. Millie Stevens
CCA Tribal President

Cc: Rep. Don Young
Rep. Bill Thomas, Jr.
Sen. Albert Kookesh